

**Lawrence Berkeley National Laboratory  
Contract Assurance Council  
Minutes of the Monthly Meeting**

**Wednesday, May 21, 2008  
University of California—Office of the President  
Franklin 9204**

*CAC members or representatives present:*

Bruce Darling	Bob Van Ness	John Layton, by phone
Bob Foley	Patrick Reed	Al Diaz, by phone
Judy Ackerhalt for Judy Boyette	Anne Broome	Bill Eklund for Jeff Blair
	Buck Koonce	

*CAC members absent:*

Steve Beckwith	John Birely	John Oakley
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*UCOP Staff:*

Ron Nelson	Jim Hirahara	Sharon Eklund
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*Guest participants:*

David McGraw, LBNL	Jim Krupnick, LBNL	Howard Hatayama,
Jeffrey Fernandez, LBNL	John Chernowski, LBNL	LBNL

**Welcome/Action Items**

VPLM Foley welcomed the Council members to the monthly meeting. Jim Hirahara reviewed the action items as follows:

- Items 34 and 43—LBNL will report on these items today.
- Items 39 and 40—LBNL will report on these items next month.
- Item 48—Ron Nelson will report on this item at a future meeting along with the topic of third party financing.

The April 2008 minutes are considered final as distributed.

**Facility Hazard Categorization Review/BSO Assurance Concerns**

Howard Hatayama explained the six findings from the facility hazard categorization review. Currently, LANL is performing a survey at Building 74 in order to create a plan for removal of sealed sources, and LBNL has completed various other corrective actions, which together will result in the room no longer being characterized as a nuclear facility. The Pit Room is no longer a Cat 3 facility based on inventory since LLNL accepted the LBNL material in a retrievable storage situation. Hatayama acknowledged that return of materials for experimentation purposes will have to be carefully managed to remain below the Cat 3

threshold. The Building 75C inventory is also less than the Cat 3 threshold. The Lab's top priority now in this regard is removal of the three cobalt sources, and they are developing their long-term strategy to remain at the radiological facility level status. Hatayama announced that Glenn Podonsky, DOE/HSS, is coming to LBNL in June for a nano-safety inspection.

With respect to recent BSO assurance concerns, Buck Koonce explained that BSO has written two letters to UCOP regarding electrical and fire safety concerns. There do not appear to be any life safety issues involved, and BSO, UCOP, and LBNL have planned a meeting for May 29 to discuss corrective actions.

### **UCB/LBNL Issues—Indirect Rates, etc.**

Jeffrey Fernandez discussed the UCB/LBNL Joint Issues Committee that has been meeting but whose work has been slowed by the British Petroleum/Helios activities. The committee is trying to fully understand how the detailed processes for movement of people, services, and funds between the campus and the Lab work now. They are developing process flow diagrams for the processes as they currently operate, and upon completion, they will begin re-engineering these processes as necessary.

LBNL has developed two cost distribution models that allow the Lab to get closer to the campus indirect structure and still remain compliant with cost accounting standards. Any changes in the current indirect cost distribution could be scheduled for FY10 to give sufficient notice of programmatic impacts and the need for budget adjustment. Also, impacts to the Laboratory's CAS Disclosure Statement, if any, will need to be reviewed with DOE and approved by the Contracting Officer.

Fernandez reported that cost comparisons with UCB have indicated a 13% overhead cost differential, which is not as large as anticipated. As expected, certain activities cost more on campus, and certain activities cost less. The EBI Board has made awards to LBNL and has released funding for work.

### **Quarterly CATS Update**

John Chernowski explained that a review committee of subject matter experts determines the appropriateness of entries in the CATS system. The committee determined that the pedestrian crosswalk that was entered in CATS meets all safety standards and requires no further action. The committee meets at least monthly so the reviews are timely, which should address the possibility of questionable issues becoming overdue. Overdue corrective actions (largely medium and low risk) are averaging 50 to 60 over the last nine months. The data are reviewed nominally once per month in order to determine what meets the criteria for further review with senior management. Chernowski discussed the three high-risk corrective actions that are currently overdue. The action requiring distribution of a revised Publication 3000 is anticipated to be closed by the end of June. The action regarding OSHA training should be closed by the end of May. Jim Krupnick and David McGraw review monthly those actions that are high risk and overdue or high risk and due to be closed by the end of

the following month. There is a change control process to revise due dates when appropriate, and Chernowski will report back to the Council on this process at a future meeting.

### Wrap Up

David McGraw announced that Jim Krupnick has been selected as the LBNL Chief Operating Officer (COO) effective July 1, 2008. Sandy Merola has resigned to accept the COO position at the Stanford Linear Accelerator Center.

### Action Items:

#	Responsible Party	Action	Date Added	Status
39	Fernandez LBNL	Report on what measures UCB and LBNL take to require vendors to indemnify UC when the vendor is working at LBNL	12/12/07	<b>OPEN</b>
40	Fernandez/Hatayama LBNL	Report on how equipment owned by other organizations is managed at LBNL, including maintaining accountability and operational safety assurance	12/12/07	<b>OPEN</b>
47	Hirahara UCOP	Create a sub-group of CAC members to advise LBNL on preparation for FY09 Podonsky review	03/11/08	<b>HOLD</b>
48	Nelson UCOP	Report on review of adequacy of LBNL COI policies and processes	03/11/08	<b>OPEN</b>
49	Chernowski LBNL	Report on the process for changing corrective action due dates in CATS	05/21/08	<b>OPEN</b>
34	Fernandez LBNL	Updates on UCB/LBNL status of addressing the different indirect rate structures at the Lab versus Berkeley Campus	10/10/07	Closed on 05/21/08
43	Chernowski LBNL	Report on any changes in the CATS process for validating item severity  Although this specific action has been closed, the Council has requested further discussion of the CATS change control process, which will be tracked as Action Item 49.	01/08/08	Closed on 05/21/08